

OVERHEAD LOADING FACTOR

<u>LINE</u>	<u>DESCRIPTION</u>	<u>SOURCE</u>	<u>SWITCHING</u>	<u>TRANSPORT</u>	<u>TOTAL TRAFFIC SENS</u>	<u>SPECIAL ACCESS</u>	<u>TOTAL ACCESS</u>
1	Revenue Requirement @ 11.25% ROR	1991 ARMIS 43-01	86,412	58,753	152,543	41,573	314,134
2	COE - Switching	L640	178,072	36,594	214,666	0	214,666
3	COE - Transmission	L650	0	80,410	80,410	52,512	188,796
4	Cable and Wire	L660	0	30,282	30,282	32,638	349,469
5	Total Direct Investment	L2+L3+L4	178,072	147,286	325,358	85,150	752,931
6	FDC Factor	L1/L5	0.4853	0.3989	0.4688	0.4882	0.4172
7	Direct Annual Cost Factor	Note 1	0.2944	0.2975	0.3211	0.3275	0.3082
8	Overhead Loading Factor	L6/L7	1.6483	1.3409	1.4601	1.4908	1.3493

NOTE 1: The sum of Plant Specific, Plant Non-specific maintenance expense; depreciation; customer operations; return; and taxes from the 1991 ARMIS reports divided by Line 5, Total Direct Investment.

OVERHEAD LOADING FACTOR WORKSHEET

1991 ARMIS 43-04

<u>ARMIS LINE</u>	<u>DESCRIPTION</u>	<u>SWITCHING</u>	<u>TRANSPORT</u>	<u>TOTAL TRAFFIC SENS</u>	<u>SPECIAL ACCESS</u>	<u>TOTAL ACCESS</u>
5026	COE MAINTENANCE	7,376	5,419	12,911	2,450	17,968
5076	CABLE & WIRE MAINTENANCE	0	1,846	1,846	1,986	21,297
6010	NETWORK OPERATIONS	7,794	7,215	15,132	4,185	36,604
7320	CUSTOMER OPERATIONS TOTAL	3,155	2,490	13,676	4,203	24,396
6030	DEPRECIATION - SWITCHING	15,580	3,615	19,195	0	19,195
6050	- TRANSMISSION	0	6,684	6,684	4,366	15,695
6070	- CABLE & WIRE	0	1,606	1,606	1,731	18,537
	RETURN + TAXES (SEE BELOW)	18,528	14,938	33,432	8,965	79,113
	SUBTOTAL EXPENSES, RETURN AND TAXES	52,433	43,813	104,482	27,866	232,805
	DIRECT INVESTMENT	178,072	147,286	325,358	85,150	752,931
	RATIO: DIRECT ANN. COST FACTOR	0.2944	0.2975	0.3211	0.3275	0.3092

Exhibit 13.3

ARMIS LINE	DESCRIPTION	<u>SWITCHING</u>	<u>TRANSPORT</u>	<u>TOTAL TRAFFIC SENS</u>	<u>SPECIAL ACCESS</u>	<u>TOTAL ACCESS</u>
8007	STATE TAX	6,653	4,055	10,280	2,989	21,923
8020	FEDERAL TAX	5,598	1,431	5,994	2,152	12,783
8044	RETURN	17,025	7,899	23,000	7,197	49,289
	TAXES/RETURN RATIO	0.7196	0.6945	0.7076	0.7143	0.7041
8040	TOTAL AVERAGE NET INVESTMENT	125,330	105,128	232,135	62,422	506,575
	x AUTHORIZED ROR	<u>11.25%</u>	<u>11.25%</u>	<u>11.25%</u>	<u>11.25%</u>	<u>11.25%</u>
	= NET RETURN	14,100	11,827	26,115	7,022	56,990
	TAXES/RETURN RATIO	<u>0.7196</u>	<u>0.6945</u>	<u>0.7076</u>	<u>0.7143</u>	<u>0.7041</u>
	TAXES	10,146	8,214	18,478	5,016	40,128
	NET RETURN	14,100	11,827	26,115	7,022	56,990
	TAXES	<u>10,146</u>	<u>8,214</u>	<u>18,478</u>	<u>5,016</u>	<u>40,128</u>
	RETURN + TAXES	24,246	20,041	44,593	12,039	97,118
	DIRECT INVT/TOTAL INVT	<u>0.7642</u>	<u>0.7454</u>	<u>0.7497</u>	<u>0.7446</u>	<u>0.8146</u>
	DIRECT RETURN AND TAXES	18,528	14,938	33,432	8,965	79,113

Price Out Chart

Southern New England

	Rate Under	Req/	Total		RAF'd
1 Non-recurring Charges	Investi.	100 -DS1	Non-Rec.	RAF	Total Non-Rec.
Application Fee	\$10,500	1	\$10,500	100.00%	\$10,500
Space Construction					
100 sq. ft.	\$82,500	1	\$82,500	100.00%	\$82,500
DS1 Cross-Connection	\$260	100	\$26,000	100.00%	\$26,000
Splicing & Pulling Hours	\$80	32	\$2,560	100.00%	\$2,560
Engineering Hours	\$84	4	\$336	100.00%	\$336
Total NRC's			\$121,896		\$121,896
Equivalent Monthly Payment Over 5 Years @ 11.5%			\$2,783		\$2,783

	Rate Under	Req/	Total		RAF'd
2 Non-recurring Charges	Investi.	100 -DS1	Monthly	RAF	Total Non-Rec.
CO Floor Space/Sq. Ft.	\$6.25	100	\$625	100.00%	\$625
DS1 Cross Connect	\$7.75	100	\$775	100.00%	\$775
48 VDC Power/Amp	\$17.75	50	\$888	100.00%	\$888
Inner Duct/Ft.	\$0.18	150	\$27	100.00%	\$27
Riser/Ft.	\$1.50	340	\$510	100.00%	\$510
Total Recurring			\$2,825		\$2,825
Total Monthly Costs			\$5,608		\$5,608
Monthly Cost Per DS1			\$56.08		\$56.08

Assumptions
 100 DS1's
 100 Sq. Ft. Cage
 11.5 % Discount Rate
 Entrance Facility
 340 ft. of Riser
 150 ft. of Conduit & Inner Duct
 32 Hr For Pulling & Splicing Fiber
 4 Hr of Engineering
 50 Amps of 48 VDC Power

SNET DECENTRALIZED CONFIGURATION

